

Exhibit B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

IN RE: * PROMESA TITLE III
*
THE FINANCIAL OVERSIGHT AND * CASE NO. 3:17-bk-03283 (LTS)
MANAGEMENT BOARD FOR PUERTO RICO *
*
As representatives of *
*
THE COMMONWEALTH OF PUERTO RICO *
RICO; Et Al. *
*
Debtor *

IN RE: * PROMESA TITLE III
*
THE FINANCIAL OVERSIGHT AND * CASE NO. 3:17-cv-01685 (LTS)
MANAGEMENT BOARD FOR PUERTO RICO *
*
As representative of * CASE NO. 3:17-bk-03566 (LTS)
*
THE EMPLOYEES RETIREMENT SYSTEM *
OF THE GOVERNMENT OF THE COMMON- *
WEALTH OF PUERTO RICO *
*
Debtor *

DEPOSITION OF MR. MOHAMMAD SALEH YASSIN-MAHMUD

DATE : MAY 29, 2019
TIME : 9:03 a.m.
CLIENT : JONES DAY
ADDRESS : 600 Brickell Avenue, Suite 3300
Miami, Florida
HELD AT : Delgado & Fernández
Professional Offices Complex
1001 San Roberto Street
Second floor
San Juan, Puerto Rico

1 MR. STEWART:

2 Q Okay. And so other than the hundred and ninety
3 million four hundred no more...

4 A Approximately.

5 Q ...sure, other than the hundred ninety million
6 four hundred thousand dollars no more ERS available funds
7 were transferred to the Secretary?

8 A To the best of my knowledge.

REDACTED

1 DEPONENT:

2 Yes.

3 MR. STEWART:

4 Q How many visits did you have?

5 A I don't recall. Exactly but I can probably,
6 maybe around four or five.

7 Q What were the names of the legislators you met
8 with to discuss the statute?

9 A The, mostly the, Lourdes Ramos who heads the
10 subcommittee on pensions of the house...

11 Q Mmhm.

12 A ...and Senator Miguel Romero who heads the
13 senate committee on, on pension related matters.

14 Q Okay. So let's go back to where we were.

15 A Yes.

16 Q It speaks about the payment the pensions
17 systems are unable to make...

18 A Yes.

19 Q ...and was it your view at the time the pension
20 systems were not able to make pension payments?

21 A They were facing liquidity issues, yes.

22 Q Were they able to make, pay any part of the
23 pension payments to your knowledge?

24 A Remember that on July 1st they pre-funded 390
25 million which was the, necessary to get the budget

1 certified and once that pre-funding was made...

2 Q Mmhm.

3 A ...we did not go back to them.

4 Q Mmhm. Okay. And that they, I think you told me
5 the three ninety, one ninety point four came from the ERS?

6 A I believe one hundred and ninety, four hundred
7 came from ERS.

8 Q And the rest came from the other systems?

9 A Mostly TRS if my memory doesn't fail.

10 Q Okay. And then the balance of the money at ERS
11 stayed at ERS, correct?

12 A Yes.

13 Q In a still...

14 A You have, you have to confirm with ERS because
15 I don't run their operation.

16 Q But to your knowledge.

17 A To the best of my knowledge, yes.

18 Q And, and it is still there?

19 A To the best of my knowledge but you, you should
20 confirm with the ERS office.

21 Q Okay. So let's go, oh, by the way, let's go to
22 2, Page 2...

23 A Page 2-O...

24 Q ..the number, okay, now we're doing numbered
25 pages. First paragraph, the bottom of the paragraph...

1 an ERS for 2011 the list of expenses were 28.5, other
2 expense is 18.8 and in 2015 it was 25.9, 43.1 and I guess
3 they have an average at the bottom.

4 Q Mmhm. To your knowledge, is this accurate?

5 A Well, they pay in, I mean, I don't pay, but ERS
6 and TRS pays him a lot of money to, to be accurate, so
7 presumably that, that is their job as they were supposed
8 to do, that's, yes.

9 Q Would you know what the administrative expenses
10 have been since Fiscal Year 2015-2016?

11 A I would refer you to, to the, to individual
12 systems.

13 Q You don't have any independent knowledge?

14 A No.

15 Q Okay.

16 A Let's go back to our Exhibit 10 and in
17 particular Page 30.

18 Q Yes.

19 A There's something about "Transitory
20 Provisions", do you see that...

21 Q Yes.

22 A ...on Page 30?

23 Q At the right bottom and in section 51-C it
24 says: "Retirement system administrators shall take all
25 necessary steps to liquidate their assets and transfer the

1 proceeds to the General Fund" and it goes to talk about
2 other things. Do you know if ERS in fact has done that?

3 MR. SUSHON:

4 Object to the form.

5 DEPONENT:

6 Besides the pre-funding of the 190 million dollars?

7 MR. STEWART:

8 Q Mmhm.

9 A To the best of my knowledge, no.

10 Q Do you know why they have not?

11 A That's privileged.

12 MR. SUSHON:

13 You can answer his question yes or no, it's whatever
14 you do know, a reason for that.

15 DEPONENT:

16 I, yes I know, it's privileged.

17 MR. SUSHON:

18 Okay.

19 MR. STEWART:

20 Q His answer is you know why but you can't tell
21 me, is that right?

22 A Exactly.

23 Q Okay. Do you know whether the statute was
24 amended to allow ERS to not transfer all the proceeds to
25 the General Fund?